Agricultural Credits - 1931

Negro Farmers to Share in $45,000,000 Drought Relief

Several hundred thousand Negro farmers throughout the South are expected to share in the $45,000,000 Federal drought relief appropriation which Congress is scheduled to pass this week.

Farmers applying for drought relief loans will fill out applications now being printed by the Department of Agriculture and will give mortgages on their 1931 crops to secure these loans.

The area of this severe drought extended from the Atlantic Coast of Maryland and Virginia westward through West Virginia, Kentucky, Tennessee, Southern Missouri, Arkansas, Oklahoma, into Texas and New Mexico.

FARM RELIEF OFFICE AID FARMERS

Memphis, Tenn., Jan. 21 (NS)—Between $15,000,000 and $18,000,000 will be distributed from this city for drought and storm relief loans, and will help several hundred thousand colored farmers in the states surrounding the Memphis district. The fund will be available February 1.

The Memphis office, which will administer the funds for Tennessee, Arkansas, Mississippi, Alabama and Louisiana, will spend $250,000 or more here for administrative expenses, of which $100,000 or $125,000 a year will be payroll alone. Seventy five or 100 people will be employed at the Memphis office with an extra 100 added when the crops begin to move in August.

"Arkansas is to receive a larger portion of the relief funds than the other four states because the need is greater." Only men who farmed in 1930 can borrow money from the government, and they can borrow only for seed, fertilizer, feed for work stock and fuel and oil for tractors. The maxmum an individual can borrow is $2,000 and the loans will vary from $2,000 downward, according to the amount actually needed for these purposes.

Individuals with bank credit cannot borrow from the government. The government will take a first mortgage on the 1931 crop and the borrower must obtain a waiver from other mortgage holders on the crop. Landlords who borrow must obtain waiver from tenants and tenants must obtain a waiver from the landlords to get a loan.

These loans will mature when the crop first starts to move on or near Oct. 31. A fine of $1,000 or six months imprisonment, or both is authorized for misrepresentation of the facts in obtaining a loan, and if the first installment has not been spent for seed, fertilizer, stock feed or tractor fuel, the remaining installments will not be paid.

AID NEGRO FARMERS FOR LOAN

Washington, Jan. 21 (CNS)—In response to a request to the Secretary of Agriculture that one or more Negroes be employed in the administration of the seed loan funds, Secretary C. W. Warburton, of the Federal Relief Committee under date of January 15th wrote the following letter to Congressman DePriest:

Hon. Oscar DePriest,
House of Representatives.
Dear Mr. DePriest:

The Secretary has asked me to acknowledge your letter of January 13 suggesting the desirability of employing one or more Negroes in the administration of the seed loan funds. As you perhaps kown the Department of Agriculture already has on its staff in cooperation with the State Colleges of Agriculture, in the southern states, some two hundred Negro agriculture extension workers who are working in the states and counties where the Negro population is greatest. These people can be of much assistance to the Department in making certain that Negro farmers have the opportunity to apply for loans whereever they may be need of assistance. We are sending our application blanks and other forms to these counties within the next few days and are calling the attention of the Negro agents to the availability of these loans. In addition, they are being sent copies of all information which is availbale on just how the loans may be obtained.

Your suggestion that we appoint one or more Negroes to look after this work for us does not seem to be necessary or practicable. The Negro extension agents we already have can do the work you have in mind and even though it may seem desirable to make such appointments as you suggest, it would be difficult to make them because of the requirement that our appointments be made entirely from Civil Service lists of eligibles. I am sure you will have no reason to complain about the way in which these loans are made available to Negro farmers in the Southern states.

Yours very truly,
Signed
C. W. Warburton, Secretary
Federal Drought Relief Committee

DePRIEST HELPS SECURE NEGROES LOANS FOR SEED

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Yours very truly,
(Signed) C. W. Warburton,
Secretary, Federal Drought Relief Committee

Joseph O. Thompson Arraigns Federal Farm Board's Futile Cotton Policies

By JOSEPH O. THOMPSON

The whole cotton South must feel deep resentment of the statement made through the Association Press, Washington, by Carl Williams following the report on Acreage Reduction on July 8, when he said "Reduction is a good sign that Southern farmers, planters, bankers and land owners are beginning to cooperate with the Farm Board."

The campaign was the most colossal failure we have ever had in similar efforts of the past, due entirely and solely to the mismanagement of the same by the cotton member of the Farm Board. In justification of this statement, permit me to call attention to campaigns conducted in the past by Col. Harvie Jordan, dirt farmer, President of the Southern Cotton Association in 1905, again in 1912, the campaign of 1914, the campaign of 1921 conducted by Hon. J. S. Wannamaker, president of the American Cotton Association, and the campaign of 1927 conducted by the same agency. These associations, made up and controlled by dirt farmers and allied interests, did not go to the cotton grower with the indirect appeal for reduction, but appealed to their patriotism and to the interest of fellow farmers and business interests of the South and asked for particular percentage reduction. Mr. Williams's whole campaign was one of indirection.

I shall review briefly campaigns made heretofore by dirt farmer leadership as compared with the recent campaign conducted by the Federal Farm Board, Cotton Member, Carl Williams Swivel Chair, from Washington, as follows:

In 1904 there was produced 14,450,000 B-C, the price fell to 5 cents by January, 1905. Harvie Jordan, president Southern Cotton Association, called a meeting at New Orleans, which was responded to by 3,000 farmers and business interests. They had the good of the South at heart thus seeking to preserve the value of cotton to the South. He raised $50,000 and carried the campaign to the growers in every cotton state, securing from a large percentage of growers a signed pledge for reduction. Acreage was cut at that time 50 per cent more than in 1931 under the leadership of Carl Williams. As a result of the cut by July 1, six months thereafter, the staple advanced to 11 cents per pound, an increase of over 100 per cent as a result of effective farm controlled campaign.

In 1911 with an acreage of 36,681,000 and production of 15,693,000 bales we were again confronted with a burdensome surplus which made cotton drop to 9 cents per pound, and the Southern Cotton Association, without funds to back it, conducted an Acreage Reduction Campaign with result of a cut to 34,766,000, and an increase of price to 12 1-2 cents.

In 1914 with an acreage of 37,406,000, produced 16,135,000 and the price dropped to six cents, a campaign was put on in the South without any real funds to back it, and secured a reduction in acreage to 32,107,000 in 1915 and a yield of 11,192,000 and the price advanced to 11 cents, nearly 100 per cent advance again.

In 1920 the acreage went back to 37,000,000 with production of 13,440,000 bales and the price dropped again to nine cents. The American Cotton Association raised considerably over $100,000 from voluntary subscribers who desired an effective campaign made by the voluntary organization, and they conducted a campaign not in a few states, but in all the cotton states, with result of a cut to 31,678,000 with production of only 7,954,000 and the price went to 19 cents per pound.

* * * *

In 1926 the acreage had gone back to the largest in the history of the South, and the American Cotton Association carried the message of impending ruin if such an acreage was planted in 1927. An appeal to the wisdom and patriotism of the cotton grower from Texas and Oklahoma to North Carolina, and without a single exception, the states responded as follows:

Virginia	cut from	95,000	to	65,000
North Carolina	cut from	2,015,000	to	1,749,000
South Carolina	cut from	2,716,000	to	2,454,000
Georgia	cut from	4,025,000	to	3,501,000
Florida	cut from	108,000	to	67,000
Alabama	cut from	3,699,000	to	3,214,000
Mississipppi	cut from	3,809,000	to	3,408,000
Louisiana	cut from	2,019,000	to	1,585,000
Texas	cut from	19,140,000	to	16,850,000
Arkansas	cut from	3,867,000	to	3,142,000
Missouri	cut from	472,000	to	305,000
Tennessee	cut from	1,178,000	to	985,000
Oklahoma	cut from	5,083,000	to	4,187,000
California	cut from	167,000	to	130,000
All other states	cut from	44,000	to	23,000
Arizona	cut from	168,000	to	140,000
New Mexico	cut from	125,000	to	100,000

Consequent to the campaign a reduction in acreage fell from 48,730,000 to 41,905,000, the price advanced from 11 cents per pounds to 19 1-2 cents, nearly 100 per cent or $42.50 a bale. Was the effort worth while? And yet Mr. Williams concludes that the Federal Farm Board is making progress on 10 per cent reduction, which is the lowest reduction ever obtained when the leadership was in the hands of farmers, and the money expended in the campaign was raised by voluntary subscription. Mr. Williams had at his disposal the large appropriation made by Congress for the carrying on of the campaign for farm relief. His mind is so obsessed with the idea of a long time program that he forgets entirely the condition of the farmer at the present time. Longfellow said:

"Trust no future, however pleasant,
Act—act in the living present."

Long time program—BOSH—When the long time program becomes a success, we who are farming now, will only be a memory and the only thing the Federal Farm Board can do is

to wish peace to our ashes.

* * * *

If Mr. Carl Williams had organized and conducted a campaign as was conducted by the Southern Cotton Association and the American Cotton Association we would have had a 26 per cent to 30 per cent reduction and a consequent rise in the price of cotton of at least 100 per cent. I charge that his conduct of the campaign was gross mismanagement and that it will result in a loss to the cotton growers of the South of a BILLION DOLLARS this year. To say that he has rendered, as a member of the Federal Farm Board, a dis-service, is putting it too mildly, he has been GROSSLY NEGLECTFUL of his DUTIES. Had he appealed to the farmer in every state to reduce their acreage 25 per cent and organized those states, which he could have done in three months, taking in all the agencies and saying to each state, we are doing elsewhere what we are asking you to do, would have brought success. The farmer is a man of deep discernment and he would have soon understood that the man in Texas, North Carolina, Georgia, etc., was being appealed to for a definite reduction and therefore he would have cooperated, but in the set up by the gentleman stockman from Indiana and Oklahoma, dictated from Washington, he was constantly soft pedaling any effort to uniform action, some states we heard of no effort at all.

The chairman of the Federal Farm Board Mr. Legge, wrote me on Oct. 17, 1930, among other things, "Personally I am not entirely in sympathy with the position taken to soft pedal talk about acreage reduction, etc. * * *" Mr. Legge is a man of ability and knew the way to get cooperation with the people was to deal with them frankly.

My recommendation for the organization of cotton states to Mr. Williams was: That we form a State Organization in each State, consisting of a President, Secretary and Committeeman from each Congressional District whose business it should be to direct this campaign beginning at once and ending May 1, and it should also be their business to organize each county, the county organization to consist of a president, secretary and every bank in the county, one farmer from each precinct and a county president to direct the organization of beats in a similar manner; that there shall be meetings held in the various counties once every two weeks until the close of the planting season * * * their duty being to sign up each farmer, making his pledge to fellow cotton growers for a 25 per cent acreage reduction. These meetings to be educational and to stress the great handicap upon the Federal Farm Board by over production, which is an insurmountable obstacle in their way to be helpful to the grower. Production must be adjusted to need. This is fundamental * * *

Garrett of Texas proposed a similar plan and spent thousands of dollars, but he met with the adverse program of Carl Williams of the Federal Farm Board who soft pedaled definite acreage reduction. What prompted him to oppose definite reduction is a mystery. I am not ready to impugn his motives, but I do charge that his campaign was weak, puerile and a colossal failure.

* * * *

The American Cotton Association which has been inactive for the past two years pending some relief for the cotton grower from the Federal Farm Board believing in it, but grievously disappointed, has determined to again offer its services to the people of the South and they shall begin their activities by holding a meeting of Cotton Growers and allied interests from the 867 cotton counties throughout the South at New Orleans, Oct. 1 to 3, inclusive. One of the things that will be definitely worked out will be the cotton acreage reduction campaign; other things to be done will also be determined by the body.

I wish to appeal to the patriotism of every business man to consider what we may be able to accomplish by acting unitedly in the cotton states in behalf of cotton. The cotton growers' situation is desperate and he is calling for cooperation of the strong men of the cotton states.

The American Cotton Association will possibly be prepared to show that the federalizing of cotton will be one of the most dangerous steps that has ever been taken by the cotton grower and to appeal to the cotton states to stand by cotton and to keep it in their hands and control, as it is our circulating medium. Cotton is our white gold that will buy yellow gold every day in the year in every country in the world, and yet the people who are actually plowing the fields are working on the lowest standard of wages of any labor in America, about 10 cents per day, the longest hours worked by any American Labor. I speak particularly of the tenant farmer. The landlord is powerless to relieve them. He is helpless in his present situation. ALL depends upon the price of cotton, There was never a time when the cotton grower should be more alert and watchful than at the present moment. Our future happiness and prosperity depend upon the debt paying and purchasing power of cotton. The value of roperty has diminished in proportion to the decline of cotton in the cotton states. Not only lands upon which it is grown, but the property in towns and cities surrounded by the cotton fields. The mortgage the cotton grower owes have retained immortal youth and vigor and the debt remains, but the capacity to pay has been destroyed. The accumulation of years is disappearing. For 40 years we have been looking for some such agency as the Federal Farm Board to help stabilize the value of cotton But like the old man in the Bible in the Book of Amos, who was fleeing from the lion and a bear met him, and then he made off at another angle and went into the house exhausted and leaned his hand on the wall to rest, and a serpent bit him. The cotton farmer has no interest in the Federal Farm Board other than for service. We have no sentiment for it if it cannot do that for which it was created, VIZ: bring relief to the farmer. We have no interest in glorifying Carl Williams as a Cotton Member of the Federal Farm Board. The cotton growers of the South are being killed off by the hundreds of thousands under his regime Millions died that Caesar might be great.

* * * *

The Federal Farm Board has not gone into the big economic reforms which they should have handled ere this, such as selling cotton by net weight, baling by use of low grade cotton. This is the only country in the world growing cotton which uses heavy jute bagging as a covering for a bale of cotton; it is the only country where bales are sold by the growers on gross weight with an arbitrary and unfair reduction for tare enforced. Farmers, foreign and domestic spinners of American cotton have for years denounced jute bagging with which the American bales are covered. The use of jute bagging and jute sacks in this country has never and never will add a fractional part of a cent to the market value of American cotton. These reforms would bring to the South a saving of $238,000,000 it is said and yet Federal Farm Board has not gone into these big matters.

At the present time the greatest weapon in our hands for increasing the price of cotton is to restrict the acreage, and we believe that history will repeat itself when the American Cotton Association goes before the farmers of the cotton states with an appeal for united reduction, we will get it.

MR. THOMPSON'S ARRAIGNMENT OF THE FARM BOARD

Elsewhere on this page this morning is an extraordinary attack upon the Federal Farm Board's cotton policies. It is written by Mr. Joseph O. Thompson, of Alabama, a Republican who supported Mr. Hoover, and an agricultural economist who favored the creation of the Federal Farm Board, and who during the Winter and Spring of 1930-31 was employed by the Farm Board to lay its plan for the reduction of cotton acreage befofe the growers of Alabama.

Mr. Thompson knows the Farm Board, especially does he know Carl Williams, the "cotton" member of the board.

Mr. Thompson knows cotton and Southern agriculture generally. He is surely qualified to pronounce judgment upon the record of the board in reference to cotton.

And he has the will to do so, as one will see by reading his impassioned arraignment of Mr. Williams.

"The campaign (to reduce cotton acreage) was the most colossal failure we have ever had in similar efforts of the past, due entirely and solely to the management of the same by the cotton member of the Farm Board," declares the Alabamian.

Previous organized campaigns to reduce acreage after price slumps were successful—highly successful by comparison with the Farm Board's milk and water "campaign" of last Winter and Spring.

In other days the farmers, through their own agencies, could be induced to cut acreage 25 to 30 per cent.

Under the Farm Board's leadership, as the writer points out, they have cut it only 10 per cent at a time when natural conditions favored a much larger reduction, with consequent increase in the price.

Here Mr. Thompson says:

> I charge that his (Williams's) conduct of the campaign was gross mismanagement, and that it will result in a loss to the cotton growers of the South of a billion dollars this year.

Mr. Thompson writes as one who is convinced that since cotton is a peculiarly Southern crop it must look to peculiarly Southern leadership for hope. He believes it futile and dangerous to "Federalize" cotton. The implication of this theory is that there are too many taxpayers outside the cotton South who do not want the price to be high because they must buy it. The further implication is that paternalism can do cotton no good, and that only the cotton grower himself can solve his problems and protect his great resource.

Here is flat repudiation by a cotton planter of the Western agricultural idea that government can save the farmer easier than the farmer can save himself.

SIOUX CITY

IOWA

SEP 21 1931

NEGRO CO-OPS COMPLAIN.

OFFICIALS of the National Federation of Colored Farmers complain that the Federal Farm Board has given them no recognition, although they organized a cooperative association according to the farm relief act. This is not surprising; there are other co-operatives also complaining of discrimination.

But the Federal Farm Board probably will not be in existence long enough to correct the errors it has made, even if that were possible. All indications are that the administration is prepared to abandon the farm board to the tender mercies of a hostile Congress next winter and that will be the end of it.

The struggle of the Negro co-operatives is entitled to sympathy and consideration, but if they had any idea the farm board could help them they were no more fooled by it than some others. In the end they may be better off for having been ignored by the board. Most of the organizations the board tried to help are worse off now than they were before.

The southern Negro farmer is in a bad way but he is not much worse off than the white farmers of all sections. Until the south quits depending upon cotton, neither race will prosper.

80 Per Cent Of South's Seed Loans Use Repaid

MEMPHIS, TENN., Dec. 26.—(AP)—Eighty per cent of the $21,000,000 seed loans made drouth stricken farmers of five Southern states by the Memphis Federal seed loan office has been repaid in cash or cotton collateral deposits, J. H. Lynch, administrative officer, announced tonight.

Cash payments from the five states amount to $6,377,226. Cash payments and cotton deposits stored in warehouses as collateral by states follow:

Alabama, $494,899 and 21,189 bales.
Arkansas, $3,317,695 and 25,568 bales.
Louisiana, $640,134 and 10,252 bales.
Mississippi, $1,238,108 and 17,782 bales.
Tennessee, $686,388 and 5,996 bales.

In addition to this cotton and cash farmers in the five states have 250,000 bales now in the hands of five cooperative associations for sale, pledged to the seed loan office for payments of loans, Mr. Lynch said.